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**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**WATER DIVISION  
Water Advisory Branch**

**RESOLUTION NO. W-4268  
May 3, 2001**

**R E S O L U T I O N**

**(RES. W-4268), SAN GABRIEL VALLEY WATER COMPANY (SGVWC),  
LOS ANGELES COUNTY DIVISION. ORDER AUTHORIZING AN  
OFFSET RATE INCREASE OF \$831,268 OR 2.8% IN ADDITIONAL  
REVENUE.**

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**SUMMARY**

By Advice Letter No. 311-W, filed on April 4, 2001, SGVWC, Los Angeles Division, seeks an increase in gross annual revenues of \$831,268 or 2.8% to reflect increased purchased power costs. The increase will not result in a rate of return greater than last authorized for SGVWC.

**BACKGROUND**

SGVWC serves approximately 46,500 customers in its Los Angeles County Division, which includes portions of Arcadia, Baldwin Park, El Monte, City of Industry, community of Hacienda Heights, Irwindale, La Puente, Montebello, Monterey Park, Pico Rivera, Rosemead, San Gabriel, Santa Fe Springs, South El Monte, West Covina, Whittier, and vicinity, Los Angeles County.

The present rate schedules in this division became effective on April 19, 2001, pursuant to Res. No. W-4260, which approved Advice Letter No. 309-W. On that date, a surcharge of \$0.016 per Ccf (One Ccf is equals to one hundred feet) was implemented to amortize a net undercollection in the purchased power balancing account. The undercollection in the balancing account has been decreasing and expected to be fully amortized by April 19, 2001.

In order to reflect current purchased power costs in its water rates, SGVWC proposes a surcharge of one cent per kilowatt-hour surcharge due to the steep and unanticipated increase in procuring wholesale electric energy from Southern California Edison Company (Edison). The proposed surcharge would

automatically terminate if Edison's surcharge is terminated. Any refund from Edison of all or a portion of Edison's surcharge will be debited against the proposed water rate surcharge revenues to be recorded in the balancing account. If Edison's surcharge is extended, made permanent, or increased, SGVWC's proposed surcharge would continue in effect until SGVWC files an advice letter to incorporate the revised Edison's rates.

### **DISCUSSION**

SGVWC, Los Angeles County Division, proposes a surcharge to increase its quantity rate by \$0.048/Ccf in order to reflect Edison's electric charges, made effective by the Commission decision (D.01-03-082). This will produce an estimated additional \$831,268 or 2.8% in annual revenues. This proposed change will raise the average residential customer's monthly bill (with a 5/8" x 3/4" inch meter and using 22.5 Ccf/mo.) by \$1.08 or 2.9% from \$37.59 to \$38.67. The Water Division has reviewed the supporting workpapers submitted by SVWC.

### **NOTICE AND PROTESTS**

Notice of the proposed rate increase was published in The San Gabriel Valley Tribune newspaper of general circulation on April 12, 2001, as evidenced by a Proof of Publication provided to the Water Division by the utility. There were no protests concerning the proposed increase.

### **FINDINGS**

The rates proposed by SGVWC in Advice Letter No. 311-W are reasonable and should be adopted.

### **THEREFORE IT IS ORDERED THAT:**

1. San Gabriel Valley Water Company, Los Angeles County Division, is authorized five days after the effective date herein, to make effective revised rate Schedules Nos. LA-1, General Metered Service; LA-3L, Limited Irrigation Service; and LA-6, Reclaimed Water Metered Service, as attached to Advice Letter No. 311-W, and to concurrently cancel the presently effective rate schedules.

2. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on May 3, 2001; the following Commissioners voting favorably thereon:

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WESLEY M. FRANKLIN  
Executive Director